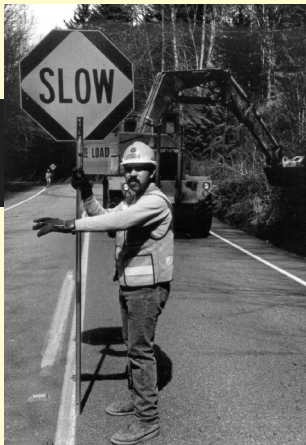


## Phase 2 Local government

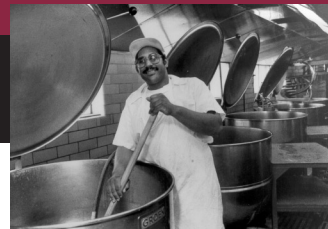


# PERS Plan 3 Transfer Decision News

Washington State  
Department of Retirement Systems

April 2003

Issue #5



## Attending a seminar can help you with your transfer decision

Attending a seminar is a great way to get the information you need to choose your retirement plan. Seminars are offered statewide with a variety of dates and times to make attendance convenient.

Investment Education Seminars are one and half hours long and include a question and answer period.

### Online Registration

The seminar schedule is continually updated and is available online. Go to the PERS Journey to Retirement Portal at [www.wa.gov/drs/member/pers/2or3](http://www.wa.gov/drs/member/pers/2or3). Follow the links for both Transfer Decision Seminars and PERS Plan 3 Investment Education Seminars.

For a list of additional resources, please see the bottom of page 3.

## When is the deadline?

If you decide to transfer to PERS Plan 3, you need to turn in a **Member Information Form to your employer before May 31, 2003**. We recommend that you also update your Beneficiary Designation form and submit it to DRS. Forms are available in your *Journey to Retirement Transfer Decision* booklet, from your employer or online at: [www.wa.gov/drs/member/pers/2or3](http://www.wa.gov/drs/member/pers/2or3).

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### Transfer Decision Seminars

Transfer Decision Seminars compare PERS Plan 2 and Plan 3, explain concepts like the transfer payment and gain sharing, and present other factors you may want to consider when making a decision.

Transfer Decision Seminars are two hours and include a question and answer period.

### Investment Education Seminars

If you want further investment information on PERS Plan 3 you can attend an Investment Education seminar. These seminars cover the basics on PERS Plan 3 investment options and services.



Seminars are available statewide. To register for a seminar visit us online at: [www.wa.gov/drs/member/pers/2or3](http://www.wa.gov/drs/member/pers/2or3).

## What kind of benefit do I receive in Plan 2 vs. Plan 3?

**PERS Plan 2** offers a defined benefit plan that provides a guaranteed lifetime monthly retirement benefit based on two percent times your years of service credit and your average final compensation, provided you meet age and service requirements. See the chart below for the formula used to calculate your benefit.

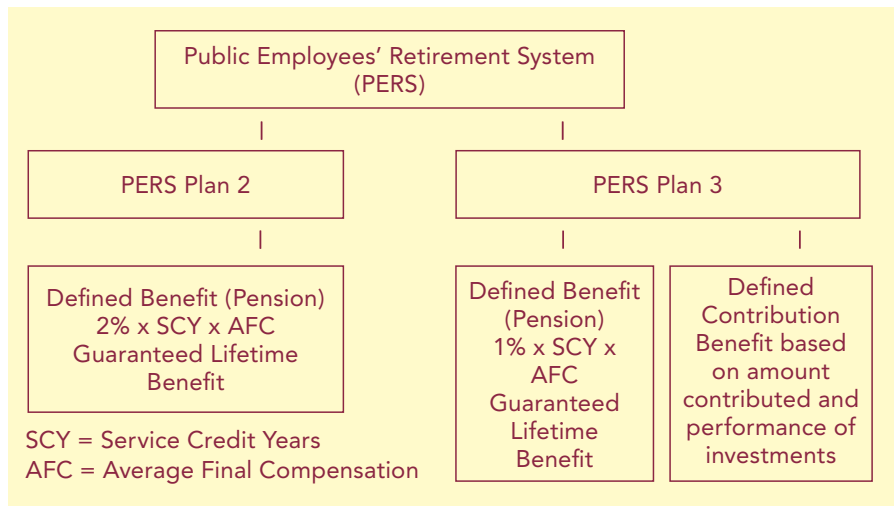
The defined benefit plan in PERS Plan 2 is funded by both you and your employer. The amount contributed does not determine your retirement benefit.

**PERS Plan 3** has two components.

The first component is a defined benefit plan similar to PERS Plan 2. The percentage used to calculate your defined benefit at retirement in PERS Plan 3 is 1 percent. See the chart below for the formula used to calculate your benefit.

The defined benefit plan of PERS Plan 3 is funded entirely by your employer.

The second component of PERS Plan 3 is a defined contribution account in which you choose how much you contribute and how it is invested. A defined contribution account provides a retirement benefit based upon the amount you contribute and the performance of the funds you have selected.



## Not sure who to call? Check the guide below

Use this list to determine who to call with your PERS Plan 3 questions

<b>DRS</b> <b>(360) 664-7000 or</b> <b>1-800-547-6657</b>	<b>Phone Support Center and E-mail</b> <b>1-888-711-8773 or pershelp@icmarc.org</b>	
<ul style="list-style-type: none"> <li>• Defined benefit</li> <li>• Service credit</li> <li>• Bill payments</li> <li>• Beneficiary information</li> <li>• PERS Plan 3 publications related to defined benefit</li> <li>• Transfer Decision Letter</li> </ul>	<ul style="list-style-type: none"> <li>• Investment funds</li> <li>• Investment education seminars</li> <li>• Transfer decision seminars</li> <li>• Financial Modeling Software</li> <li>• Quarterly statements</li> <li>• Plan 3 forms</li> <li>• Defined contribution</li> <li>• PERS Plan 3 publications related to defined contribution</li> <li>• Account balance</li> </ul>	<ul style="list-style-type: none"> <li>• Transferring money between Self-Directed funds</li> <li>• Changing your Self-Directed allocation</li> <li>• Transferring existing money from WSIB to Self-Directed or Self-Directed to WSIB</li> <li>• Fund administration fees</li> <li>• Status of withdrawal requests</li> <li>• Tax withholding related to withdrawals</li> </ul>

# PERS Plan 3 investment options

## Investment programs

You have two investment programs to choose from, the Washington State Investment Board (WSIB) Investment Program and the Self-Directed Investment Program.

The WSIB Investment Program is valued monthly and enables you to invest in the Total Allocation Portfolio (TAP). The TAP is managed by the WSIB and adjusted periodically to meet changing market conditions.

The Self-Directed Investment Program is valued daily and enables you to design your own investment portfolio from a menu of six separate investment funds, or one of three pre-set portfolios called Horizon Funds. These pre-set portfolios are balanced funds with asset allocations that target different risk levels and investment time horizons.

## Choosing an investment program

Before designing your investment strategy, you should assess your current financial situation and your retirement goals. How much

money will you need at retirement? How much can you contribute? How many years before you retire? How much investment risk are you comfortable with? These are all questions only you can answer.

The PERS Journey to Retirement Portal at: [www.wa.gov/drs/member/pers/2or3](http://www.wa.gov/drs/member/pers/2or3) contains many resources to help you. From the portal you can link to the Investment Education Web site.

## Account access online

If you transfer, you can access your account information online at: [www.icmarc.org/plan3](http://www.icmarc.org/plan3).

Account Access allows you to obtain account information, transfer funds, obtain balances, change allocations and order statements.

## Quarterly statements

You can choose to review your quarterly statements online through Account Access at: [www.icmarc.org/pers](http://www.icmarc.org/pers), or your statement can be mailed to your home.

Self-Directed funds are valued daily, while the WSIB-TAP is valued

monthly. This creates two separate statement timelines. See the table below for approximate mailing dates.

In addition to your quarterly defined contribution statement, you will receive an annual statement from DRS that shows your defined benefit service credit.

## Voice Response Unit (VRU)

The VRU lets you make account changes and obtain account information the same as online Account Access. For security, the first time you call you will create a personal identification number (PIN), which you will re-use when you call in the future. All you need is a touch-tone phone. The phone number is 1-888-711-8773.

## When are quarterly statements mailed?

Quarters	Self-Directed	WSIB
<b>First</b> January-March	April 10th	May 15th
<b>Second</b> April-June	July 10th	August 15th
<b>Third</b> July-September	October 10th	November 15th
<b>Fourth</b> October-December	January 10th	February 15th

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Director ..... John F. Charles  
Editor ..... Rachel Jo Nesse

## PERS Plan 3 phone support center and e-mail:

1-888-711-8773  
[pershef@icmarc.org](mailto:pershelf@icmarc.org)

## Mailing address:

Department of Retirement Systems  
P.O. Box 48380  
Olympia, WA 98504-8380

## DRS telephone numbers:

Information ..... 1-800-547-6657  
Local callers ..... 360-664-7000  
TDD line ..... 360-586-5450

## DRS Internet address:

[www.wa.gov/DRS/drs.htm](http://www.wa.gov/DRS/drs.htm)

## Member e-mail contact:

[recep@drs.wa.gov](mailto:recep@drs.wa.gov)

If you did not receive previous editions of *PERS Plan 3 Transfer Decision News*, contact the editor at (360) 664-7934.

## Where can I get additional transfer information?

Log on to the PERS Journey to Retirement portal at: [www.wa.gov/drs/member/pers/2or3](http://www.wa.gov/drs/member/pers/2or3) to:

- View an online Transfer or Investment Education video (also available on VHS tape through your employer).
- Access the *PERS Journey to Retirement Transfer Decision* booklet.
- Access the *PERS Plan 3 Investment Education* booklet.
- Review the *Plan 2* and *Plan 3 Member Handbooks*.
- Use the Financial Modeling Software to compare your projected benefits for both plans based on your personal situation. The software can be downloaded or used interactively online.

If you do not have access to a computer, you can attend a seminar (see article on page 1) or call the phone support center from 5:30 a.m. to 6 p.m. Monday through Friday at 1-888-711-8773 with any transfer decision question. If you prefer, you can e-mail your questions to [pershef@icmarc.org](mailto:pershelf@icmarc.org).

## PERS Plan 2 and Plan 3 frequently asked questions

### What is my Transfer Decision Letter?

Your Transfer Decision Letter includes estimates of both your transfer payment and retroactive gain sharing payment. The letter was mailed to your home in May 2002 with your *Journey to Retirement Transfer Decision* booklet.

Information in the transfer letter is needed to use the Financial Modeling Software.

### How do I obtain a copy of my Transfer Decision Letter?

Contact DRS by phone at (360) 664-7000, 800-547-6657, or by e-mail at [recep@drs.wa.gov](mailto:recep@drs.wa.gov) if you need a reprint of your letter.

### If I transfer to Plan 3, can I select my contribution rate at a later date?

No, you must choose your contribution rate at the time you elect to transfer to PERS Plan 3.

### If I transfer to Plan 3, can I change my contribution rate at a later date?

According to Internal Revenue Service (IRS) regulations, once you select a contribution rate you cannot change it unless you change employers.

### What if I want to stay in PERS Plan 2?

If you decide not to transfer during your transfer window you do not need to fill out any paperwork. Your

retirement benefit will continue to be reported in PERS Plan 2.

### What is gain sharing?

Gain sharing is the payment made to PERS Plan 3 members defined contribution accounts if the earnings on the Washington State Investment Board (WSIB) retirement system assets average more than 10 percent over the previous four-year period.

In January of even-numbered years, if the above conditions occur, a gain sharing payment calculated on half of the amount over 10 percent will be applied to your Plan 3 defined contribution account based on your number of service credit years.

### What is retroactive gain sharing?

Retroactive gain sharing is a payment that is made to PERS Plan 3 members defined contribution accounts that is equal to the gain sharing amounts paid in January 2000 and 2002. If you transfer to PERS Plan 3 during your transfer window and you meet certain eligibility requirements you will receive a retroactive gain sharing payment.

The retroactive gain sharing payment made in June 2003 will include only the January 2000 gain sharing payment. There was

no gain sharing payment for January 2002 because earnings on the PERS Plan 2 and Plan 3 trust fund assets did not average more than 10 percent over the previous four-year period.

### When will the transfer payment and retroactive gain sharing post to my Plan 3 account?

The transfer payment and retroactive gain sharing will be applied to your defined contribution account in June 2003 if you transfer to PERS Plan 3 during your transfer window (September 1, 2002 - May 31, 2003) and meet eligibility requirements.

### Where do I find the eligibility requirements for gain sharing and retroactive gain sharing payments?

To find out if you are eligible please read your *PERS Plan 2 or Plan 3 Transfer Decision* booklet that was mailed to your home or the *PERS Plan 3 Member Handbook*. Both publications are also available online.

### When can I withdraw my balance under Plan 3?

You can elect to withdraw the funds in your PERS Plan 3 defined contribution account any time you separate from all PERS-covered employment.

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Update your address  
with your employer

PERS Plan 3 Transfer Decision News

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